

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 KIEV 000483

SIPDIS

E.O. 12958: DECL: 02/03/2016

TAGS: PREL OSCI OSCE

SUBJECT: UKRAINE/MOLDOVA/TRANSNISTRIA: TKACH ON CUSTOMS  
PROTOCOL DISCUSSIONS

REF: A. STATE 17796

¶B. KIEV 365

Classified By: Political Counselor Aubrey A. Carlson for reasons 1.4(b,  
d)

¶1. (C) Summary: In a February 3 briefing, Ukrainian Special Envoy Tkach said the February 1 Ukraine-Moldova meeting had failed to make progress, but a second round would occur at the level of Ministers of Economy in the hope of resolving Ukraine's objections to Moldovan government registration procedures for Transnistrian business enterprises. If the February 6-7 meeting of Economy Ministers failed to make progress, the Ukraine-Moldova "Joint Trade Commission" would meet February 9 to discuss the issue further. Tkach, who defended himself against charges of corruption, is on his way to a second stint as ambassador to Hungary. End summary.

No Meeting of Minds

¶2. (C) Ukrainian Special Envoy for Transnistria Dmytro Tkach briefed U.S and EU diplomats February 3 on bilateral Ukraine-Moldova discussions on Ukrainian enforcement of the agreed 2003 customs protocol with Moldova. He said the Ukrainian government had reached a decision not to begin enforcement of the customs protocol after First Deputy Prime Minister Stanislav Stashevsky, to whom President Yushchenko had given overall responsibility for Transnistria, convened a meeting on the evening of January 24. The heads of the State Border Guards (SBGS), Customs, and Tax Services and "7-8 ministers" attended. During the meeting, the Minister of Transportation and Communications, SBGS chief, and the head of the Customs service jointly declared that the Moldovan government had failed to meet its obligations as required in the December 30 joint statement of the Ukrainian and Moldovan prime ministers. They said Ukraine would be unable to handle problems that would ensue if the GOU enforced the protocol.

¶3. (C) Tkach highlighted the same issues as DFM Veselovsky had (ref B) with respect to Moldovan implementation of its Resolution 815 -- requirement for Transnistrian business entities to be current on taxes for permanent registration with resulting double taxation, temporary registrants' inability to receive certain certificates of origin with associated re-exporting privileges, and shorter validity period for temporary registrations. Tkach added to the list of problems the lack of a mechanism for restitution of Moldovan government-collected taxes to the Transnistrian authority. He also noted the Moldovan Economy Minister's declaration that privatized Moldovan enterprises would be ineligible for either permanent or temporary registration, since Moldova does not recognize the process of privatization conducted by the Transnistrian authorities.

¶4. (C) Tkach said the February 1 discussions in Odesa between Ukrainian and Moldovan representatives had not resolved Ukrainian issues with Moldovan procedures for registering Transnistrian businesses. Since discussions at a technical level had been unfruitful, Tkach said a meeting at the "government level" would take place in Kiev February 6-7. Tkach specified that he thought the Moldovan Minister of Economy, Minister for Reintegration Sova, and perhaps the head of the Customs Service would attend the meeting for the Moldovan side. If the next round could not resolve the impasse, the Ukraine-Moldova joint "trade commission" would meet on February 9. In the February 9 meeting, Ukrainian First DFM Stashevsky would have the opportunity to exchange views with Moldovan President Voronin and Prime Minister Tarlev, which Tkach hoped would lead to a resolution of the problem. Responding to a question, Tkach said discussions on the issue were purely bilateral, because the Moldovan side did not want to include Transnistrian representatives.  
(Note: A Tiraspol-based website reported that Transnistrian authority representatives were present at the February 1 meeting, but the Moldovans refused to acknowledge them. Other press reporting described the meeting as a trilateral one among Ukraine, Moldova, and the Transnistria region.)

Scurrilous Lies

¶5. (C) When he opened the meeting, Tkach spent an unusual amount of time defending himself against charges that he had

caused the Ukrainian government to delay enforcement of the customs protocol due to his financial interest in Transnistria. Dismissing the possibility that he had the power to bring about such a decision, Tkach said the rumors about his ownership of Transnistrian property had been a "provocation" originating from the Moldovan Azi website that he owned shares in a Transnistria-based telephone company. The Moldovan customs chief had repeated the allegations. As a result, the Ukrainian government had sent a diplomatic note of protest asking the Moldovan government to provide evidence to substantiate the claims. To date, the Moldovan government had not replied.

16. (C) Tkach said the Ukrainians had obtained documents on the company from Transnistria, which established that the company had only two owners. The company's financial documents had established no links with Tkach. Tkach said copies of the documents were sent to five-plus-two negotiators; he was prepared to send the same documents to the Austrian government as EU president or to any other interested party. (Note: At the same time, Tkach never made a statement categorically denying that he had no financial interest in Transnistria.)

#### A Border Incident

---

17. (C) Tkach recounted an incident as evidence of a positive outcome from Ukraine's cooperation with the EC Border Assistance Mission (BAM). He said the head of the EU BAM team at a border checkpoint noted the slipshod and cursory examination of Transnistrian leader Igor Smirnov's entourage when he crossed the border. (EC official Sabine Stoehr told us this happened January 21.) Tkach said the customs agents, familiar with Smirnov because of his frequent crossings, had quickly leafed through the ten passports they were handed and failed to conduct any customs inspection of his vehicles. After EU BAM protested the behavior to the Ukrainian customs service chief, Ukrainian customs scrupulously carried out their duties when Smirnov re-crossed the border into Moldova/Transnistria. Tkach said the customs agents' behavior had been reported to President Yushchenko, who had then issued orders that Smirnov was to be carefully inspected each time he crossed the Ukrainian border.

#### Moving On

---

18. (C) On the way out, Hungarian DCM Laszlo Horvath confirmed reports that Tkach was on his way as ambassador to Hungary, unusually, for a second time. Horvath confirmed Tkach's statement that he had been ambassador to Hungary once before in the early 1990s after Ukrainian independence. The Hungarian government felt Tkach was acceptable, since he spoke a little Hungarian and seemed to have reasonably good ties with Tarasyuk and leading officials of the "Orange Team."

19. (U) Visit Embassy Kiev's classified website:  
[www.state.sgov.gov/p/eur/kiev](http://www.state.sgov.gov/p/eur/kiev).

HERBST